UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

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(THA/79/016)
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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF THAILAND

Accelerated Rubber Replanting
(THA/79/016)

Report of the Administrator*

Date of present approval:	March 1980
Starting date of project activities:	April 1980
Planned completion date:	March 1982
To be executed by:	Food and Agriculture Organization of the United Nations (FAO)
Government implementing agency:	Office of the Rubber Replanting Aid Fund (ORRAF) and the Department of Agriculture (DOA) of the Ministry of Agriculture and Co-operatives (MOAC)
Estimated cost of assistance planned under present approval:	$592 200
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. Thailand produces about 12 percent of the world's natural rubber and, as an exporter, ranks third after Malaysia and Indonesia. To expand rubber production, in 1960 the Government established the Rubber Replanting Aid Fund which was given the

*In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

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responsibility of assisting farmers in replanting over-aged rubber with new high yielding varieties. Since 1965, UNDP has cooperated with the Government in this programme through the establishment of a Rubber Research Centre at Hat Yai in peninsular Thailand[1/] and a Rubber Development Project[2/]. Since 1976, assistance has also been provided in research, training and extension activities under the project, Acceleration of Rubber Replanting in Peninsular Thailand (THA/75/021)[3/], in conjunction with loans from the World Bank and the Commonwealth Development Corporation (CDC).

2. Under this joint programme, the annual replanting of rubber in small-holders' fields was to be increased from 22,000 hectares per year to 50,000 hectares per year by 1980. UNDP participation in the programme, through THA/75/021, has just been phased out with the successful accomplishment of this target. However, due to the recent buoyancy of world rubber prices, the Office of the Rubber Replanting Aid Fund (ORRAF) has drawn on the World Bank/CDC loans more slowly than anticipated. Hence the rubber loan project is now expected to be completed only in two years' time instead of in 1979, as originally scheduled. Meanwhile, plans are being made for a follow-up rubber loan from the same sources in order to continue the expanded programme of rubber replanting as well as to initiate a substantial new planting of high-yielding varieties in peninsular Thailand and other parts of the country.

3. To assist with the overall planning and co-ordination of rubber development in Thailand, and, specifically with the transition between the first and second World Bank/CDC loans, the Government has requested UNDP support for a further two years under the present project.

II. Objectives and activities

4. The immediate objectives of the project are to: (a) prepare proposals for the World Bank and the Commonwealth Development Corporation for the financing of a second phase rubber loan; (b) strengthen the management and organizational capabilities of ORRAF through the intensive training of staff and improvement of staff training facilities; (c) increase the Government's capacity to produce planting material for rubber small-holders; (d) improve farmer training programmes; (e) advise the Director of the Rubber Research Centre on the planning and management of the Centre's research programme and training of its staff; and (f) form a high-level Rubber Consultative Group to advise on rubber policy and the co-ordination of Government agencies concerned with rubber.

III. Inputs

5. UNDP will provide, through the Executing Agency, for the services of a senior adviser and consultants as well as for the periodic attendance at the Rubber Consultative Group of senior Thai experts and internationally known consultants in appropriate fields related to rubber development. Through a subcontract with the UNDP assisted regional project for Development Training and Communication Planning (DTCP), the project will provide the services of additional international and national consultants for the strengthening of training and management skills of the staff of ORRAF and the Rubber Research Centre. Fellowships and study tours will also be provided as well as audio visual and soil survey equipment for ORRAF and the Rubber Research Centre.

1/ SF/R.8/Add.38.
2/ DP/SF/R.9/Add.92.
3/ DP/PROJECTS/1117 and 1342.

6. The Government will provide qualified professional and supporting staff, office space, supplies and equipment directly to the project.

IV. Financial data

7. The expenditure components of the planned assistance are as follows:

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Personnel	221 700
Subcontract	128 600
Training	131 900
Equipment	101 000
Miscellaneous	9 000
	592 200

8. The estimated total value, expressed in US dollars, of the inputs provided directly by the Government to the project is $6,130,000 in kind.

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